

## BUYING A HOUSE

You just got yourself a good job. So, you decide it is time to start thinking about buying a house. You are still living at home, and you plan to keep living at home until you have saved enough to buy the house of your choice. There are a few things to keep in mind about your plans:

- ❑ living at home will allow you to save at most 20% of your earnings towards the down payment.
- ❑ to buy a house you need to have a 25% down-payment.
- ❑ to get a mortgage your calculated monthly payment cannot exceed 30% of your monthly earnings.

To help you complete this task you will be referred to a number of resources:

- ❑ visit (<http://jobfutures.ca/en/home.shtml>) to help you learn more about the earning potential of your chosen job. It is important to recognize that the average hourly earnings are just that – an average. As a new employee you can expect to earn 80% of this average in the first year, 82% in the second, 84% in the third, and so on.
- ❑ visit (<http://www.mls.ca/>) to learn more about how much a desirable house will cost in Prince George.
- ❑ visit (<https://www.rbcroyalbank.com/cgi-bin/mortgage/mortcalc.pl>) to learn more about how much your monthly mortgage payments will be. Use 5% as the interest rate and 25 years as the amortization period.

When will you be able to make your purchase? Present your work in an organized and clear manner detailing your calculations as well as your choices of career and house.